

**CITY OF NEWPORT BEACH
SUPPLEMENTAL CITY COUNCIL STAFF REPORT**

Agenda Item No. 20
April 27, 2010

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: Planning Department
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SUBJECT: AMENDMENT TO TITLE 19, "SUBDIVISIONS", OF THE NEWPORT BEACH MUNICIPAL CODE, CODE AMENDMENT NO. CA2005-004 AND ADOPTION OF IN-LIEU HOUSING FEE (PA2005-062)

Staff has made a minor revision to Section 19.54.080 (Affordable Housing Agreements) of the draft ordinance. Attached is the revised language shown in **bold**.

Prepared by:



Jaime Murillo
Associate Planner

CC 1 Revision to Section 19.54.080

4. The units shall not already be subject to affordability income restrictions unless such restrictions are set to expire in 3 years or less. In such cases, the affordability covenant shall provide for 30 years in addition to any existing covenant time.
- C. Land Dedication. An applicant may propose to dedicate land to the City or to a City-designated housing developer for the provision of affordable units in lieu of constructing some or all of the affordable units required by this Chapter. The dedicated land shall meet the following site suitability requirements:
1. The dedicated land shall be useable for its intended purpose and have the appropriate General Plan and zoning designation for the development of affordable housing, be free of toxic substances and contaminated soils, be fully improved with infrastructure and adjacent utilities necessary to serve the project, and shall have no title restrictions that would prevent the development of the required number of affordable units.
 2. Title to the dedicated land, or lease hold for the useful life of the housing improvements, shall be conveyed to the City or City-designated housing developer before a Building Permit is issued for any portion of the residential subdivision project.
 3. All property taxes, special taxes, fees, or other assessments shall be current before the title is conveyed.
 4. The dedicated land shall be sufficient in size to construct the number of affordable units that the applicant would otherwise be required to construct.
- D. Findings and Decision. The review authority may approve or conditionally approve, an AHIP that proposes alternative means of compliance with the requirements of this Chapter after first finding all of the following:
1. The purpose of this Chapter would be served by the implementation of the proposed alternative;
 2. The units provided are located within the City and are consistent with the requirements of this Chapter; and
 3. It would not be feasible or practical to construct the units on-site.

19.54.080 Affordable Housing Agreement.

An applicant that chooses any option for satisfying the affordability requirements of the Chapter, with the exception of the payment of in-lieu fees, shall enter into an affordable housing agreement with the City. The An affordable housing agreement shall be executed in a recordable form prior to the issuance of a Building Permit for any portion of a residential subdivision project subject to the requirements of this Chapter.

Amendment to Title 19

Inclusionary Housing Ordinance and In-Lieu Fees

COUNCIL AGENDA
NO. 20
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Housing Program 2.2.1

Require a proportion of affordable housing in new residential developments or levy an in-lieu fee. The City's goal over the five-year planning period is for an average of 15 percent of all new housing units to be affordable to very low-, low-, and moderate-income households. The City shall either (a) require the payment of an in-lieu fee, or (b) require the preparation of an Affordable Housing Implementation Plan (AHIP) that specifies how the development will meet the City's affordable housing goal, depending on the following criteria for project size:

- Projects of 50 or fewer units shall have the option of preparing an AHIP or paying the in-lieu fee.*
- Projects where more than 50 units are proposed shall be required to prepare an AHIP.*

Chapter 19.54 (Inclusionary Housing)

- Purpose
 - Provide specific requirements for implementation of HP 2.2.1
 - Provides legal basis for in-lieu housing fee

Framework of Chapter 19.54

- Applicability
 - For-sale units (not rental units)
 - Palmer case
- Affordability Requirement
 - 15 percent
 - For-sale units: moderate –income
 - Rental units: low-income
 - Lower percentage available for very-low income
 - 30 years minimum duration

Alternatives to On-Site Construction

- To provide flexibility & minimize burden
 - Off-Site Construction
 - Off-Site Renovation
 - Land Dedication
 - In-Lieu Housing Fee

Implementation

- Affordable Housing Implementation Plan
 - Description of project
 - Method of satisfying the affordable housing requirement
 - Provide additional flexibility
- Affordable Housing Agreement
- Affordable Housing Fund